

PARLIAMENTARY MEDIA BRIEFING BY THE MINISTER
OF LABOUR, MEMBATHISI MDLADLANA, 18 February 2003

Fellow ministers,
Members of the media and honoured guests

In the State of the Nation address the President reiterated this government's commitment to the protection of the most vulnerable of workers in the economy - highlighting the introduction of minimum wages for farm workers and domestic workers and also our Department's intentions to include seasonal and domestic workers in the unemployment insurance safety net.

The President said the introduction of minimum wages for domestic and farm workers should help improve the income of the most vulnerable workers. This process will continue in a few other sectors, in consultation with the relevant role-players.

I would like to emphasise there is no turning back from the introduction of these sectoral determinations and as from 1 March 2003, every farmer in our country - with no exceptions - is legally obliged to pay a minimum wage to their employees. It is disturbing that certain farmer organisations, which had the opportunity to submit their reservations about the sectoral determination, are now crying foul. I am prepared to meet with organisations like AgriSA and I will meet them before the end of the month, as I believe in social dialogue and not confrontation.

I would prefer a situation where I do not need to promulgate sectoral determinations, because the existence of strong trade unions and employer organisations means that employment conditions are negotiated at bargaining councils. I would urge employers and trade unions to ensure that this takes place within the next two years.

With regards to the inclusion of domestic and seasonal agricultural workers with the Unemployment Insurance Fund, we urge all employers to ensure that their workers are properly registered. As from 1 April 2003 domestic and seasonal workers will be included in the Unemployment Insurance Fund. Every household that employs a domestic worker, including a gardener, must register if the person works for more than 24 hours in a month. Employers can register as from 20 March by either the website - on www.labour.gov.za - or by filling in and submitting forms at their nearest labour centre.

Scientists, professionals, managers, farmers, plumbers, hairdressers, police, auto mechanics, marine biologists, teachers (and many more besides) - are people who have learnt their skills from those who went before - and are able to do three things. Firstly they can use these skills to earn an income, which underpins the quality of their own lives and those they hold dear, secondly, through applying their skills they can enhance the quality of lives of others, and thirdly, while they work they not only earn but also LEARN. This learning then adds to the sum of human knowledge and can improve the lives of those that follow.

The iniquity of apartheid was it both suppressed the traditional knowledge of the cultures it massacred but did not understand and yet also denied access to its own. So much time and knowledge and skill has been wasted in the process of eradicating this "crime against humanity". But the human spirit is indeed indomitable and, since the birth of democracy in South Africa, that spirit has risen again. And, in the words of very own Human Resource Development Strategy, "our nation is (again, at last) at work for a better life for all".

Pre-schooling and schooling provide children with the tools to learn how to learn in our society. Reading, writing, mathematics and science are all 'tools' that are needed for citizenship and entry

into more specialised fields later in life. It is with pride and pleasure that we can now note that whereas children were not even required to attend school before 1994, today we have nearly 100% participation rates, more than 200 000 children in pre-school programmes and more than 68.9% successfully completing matric. More and more youngsters are successfully passing mathematics and science - to be precise 9.4% up on 2001 for maths and 7.8% for science. This means that we are more prepared now that we have been to face the challenges of the future.

The picture for those who leave schooling is also improving:

- * Of those who enter the higher education system 7% more enter the science, engineering and technology fields today than in 1990, and there are 17% more young people advancing on to the college system than a couple years ago.

- * Of those who enter the formal sector, more and more are finding that opportunities are opening up to learn at work. Last year our SETAs, the Sector Education and Training Authorities, reported that a total of 2.3 million workers were participating in structured learning - a number which is a significant improvement on previous years. This represents nearly 10% (9.57%) of those in employment - surely a remarkable achievement.

- * Of those who are learning at work 333 534 are engaged in Adult Basic Education and Training - in other words catching up on what they missed out as children. And over and above this number a further 97 616 are enrolled in the public sector Adult Education Centres. So our people are grabbing at the opportunities that are opening up as a result of our government's new policies on skills development and adult learning.

- * Looked at from the perspective of employers - we have found that 67% of employers employing more than 150 workers are actively availing themselves of the incentives offered by the SETAs to increase their training effort, as are 38% of those employing between 50 and 150.

* And more than half of all government departments (71 out of 140) are now preparing workplace skills plans, which look at their skills needs for service delivery in a holistic and integrated way, rather than simply targeting isolated courses and conferences.

These all confirm that indeed the thirst of our people to learn from those who have gone before and to build for themselves and their families a better life has not been quenched. Let us not be so confounded by the challenges that have yet to be tackled that we do not take time out to celebrate that which we have already achieved - in eight short years.

But let me now turn to some of the challenges. Indeed we know that too many of our young people leave school and are unable to either enter higher education or find work. These young people are no less hungry to find the means to improve their lot than others of their generation, and as a society and as a democracy we must not fail them. In addition to the obvious solution of providing more places at universities, technikons and colleges for them, government is challenging business and labour to join with it in the campaign to massively increase the number of learning opportunities provided at work through the new learnership scheme. Learnerships are learning opportunities, based mainly in workplaces but with time out to learn the theory, where learners learn from those with experience, to attain occupational skills in areas where these skills are needed. Already over 400 new learning programmes have been registered and some 23 416 workers are benefiting from them, but sadly only about 5000 of these are young unemployed people. Government, as the largest employer in the land, plans to enrol thousands of young people into learnerships both to assist it to deliver public services as well as to create a pool of skills to replenish those that leave. But just as government is making a commitment in this regard, it is challenging the private sector to do the same. My Director General has mooted the number of 50 000 by this time next year - I know it sounds ambitious but

think of the need and the lives that are being wasted, and it will become evident that we cannot dally. Look at it this way - there are over 200 000 firms paying tax in this country, if each one took only one young person on then we would exceed our target fourfold! And each of those firms would qualify for grants and tax incentives to reward them for their efforts! But of course the real reason firms should do this is to build the next generation of skills that they will need to realise their business objectives - it's a win-win-win for firms and young people and the country. Even workers win - because if their children are unemployed, who must feed and support them?

But whilst finding solutions to youth unemployment must constitute the single biggest challenge our country faces, it is not the only challenge. Firms are struggling to survive and succeed in an increasingly competitive world. If they fail the prospects for young and older workers alike will be bleaker. We welcome the fact that there has been such a significant improvement in the performance of our manufacturing sector but must acknowledge that if we are to build on the opportunities that our exchange rate has afforded us we need to consolidate our gains through productivity. Technology (tools) have a role to play, particularly those based on Information and Communication Technologies, but these do not replace people. People are needed to operate, maintain and more innovatively exploit the tools that we already have, and work on new tools and knowledge that will enhance our productivity and employment levels. Sadly we have a dearth of people at the cutting edge of innovation able to construct such tools and translate them into jobs. We need to build a new cadre of specialists who can do these things. And I am happy to report that my colleague, the Minister of Arts, Culture, Science and Technology, last year published his Research and Development Strategy, which plots a clear roadmap on how we can tackle this challenge. But it is not only the front-runners who are scarce in South Africa. There is an entire layer of skills, which are either

missing or critically scarce, from the perspective of employers in both the public and private sectors. In the public sector these include medical specialists, engineers, financial and legal professionals as well as general and financial managers. Teachers, particularly those who can teach maths and science are also scarce. In the private sector the list is even longer. There are various kinds of managers that are hard to find such as project, financial, production, logistics and facility managers. There are also a wide variety of professionals, including chartered accountants, computer specialists in a range of areas as well as engineers across fields such as electrical, mechanical and chemical. The list gets even longer when one looks at the problem sector by sector.

Government has begun to address these areas of scarce skill in various ways. Its own training institute trained over 18 088 managers last year alone and in addition to the millions of rands government has allocated to tertiary student loans disbursed by the National Student Financial Aid Scheme and from the National Research Foundation, the National Skills Fund last year allocated funds in support of 1453 new undergraduate and 577 new post graduate bursaries for study in these targeted areas. The SETAs have also played their part with eight SETAs initiating targeted sectoral skills bursaries. Of course the passing of the Immigration Act will also assist us facilitate the entry of those with skills to enter our labour market and assist us to build our economy and support new jobs.

In the year that lies ahead government plans itself to develop a list of critically scarce skills and to use the list to begin to target its resources to plug these gaps and to exploit new production opportunities associated with new skill areas. It will also continue to encourage SETAs and other private sector actors to contribute to this national effort.

In addition to work in the area of skills development, government will be encouraging investment by the private sector and challenging them to exploit the wealth of rewarding opportunities that are waiting to be grasped.

At the other end of the spectrum, for those in poverty and without work there continue to be many challenges. Much has already been done. From my own department, R214.7 million was allocated from the National Skills Fund to social development projects. These funds supported the training of over 93 894 people. In the main these funds and this training has been linked to income generating projects. Let me give you two small examples: In the Lichtenburg and Itsoseng areas 342 people were trained as part of a project to electrify RDP houses. The project was carried out in partnership with the Department of Provincial and Local Government and Eskom. People were given skills in rural line construction, electrical supply operating as well as down stream skills such as electrical appliance repair, domestic refrigeration and entrepreneurial skills. In the Kimberley area in the Northern Cape, 30 people have been trained in a business start-up initiative. Members collect waste paper and garden refuse and use this to make manure and compost to sell. Today the trainees are project co-ordinators and managers of a viable venture.

And, from another funding window R1.1 billion was allocated to strategic projects being managed by the SETAs. Many of these projects are now well underway. Time does not permit a full report, but let me give you a few exciting examples.

* The Primary Agriculture SETA has already trained 50 small cotton growers of whom 43 have successfully completed their programmes. These trainees have increased the amount of land planted with cotton from 100 to 542 hectares and 64% of the crop has increased at least one grade in quality. Of those who planted last year there has been a 19% increase in the yield per hectare.

There has been a 14% increase in permanent jobs and a 200% increase in temporary or seasonal jobs. 100 more trainees are due to start in July this year supported by Cotton South Africa.

* Secondary Agriculture has also made progress. In this sector 800 learners have already been trained since April 2002 - in areas such as poultry and business skills. 49 learners are enrolled in a 3-year programme at the Sugar Industrial Training Centre in Durban.

They have completed their first year of theoretical training and are currently undergoing practical training at workplaces. New learners have just started courses in sheep shearing as a part of a wool export initiative.

* In another area, the Financial Services SETA, FASSET, has already delivered maths and accounting clinics to 3200 and 2900 learners respectively. The project also specifically catered for 27 disabled learners. Their street finance sub-project has already reached 440 maths and 370 accountancy teachers and at Fort Hare 142 first year students were assisted in 2002 with business English, Business Mathematics, Introduction to Accounting, Economics and Business Management. Their average mark was 61%, with 5 students earning over 80%.

A key challenge remains to support more existing and new small businesses. However, it is encouraging to note that whilst only about 7% of small firms were able to access grants through the normal claim procedure, at least 10 SETAs had special SMME programmes which have reached 18 275 beneficiaries - either owner managers or workers in these firms. We are learning how to reach this group of people better all the time. To support this trend I plan to include in the technical amendments to the Skills Development Act that I plan to bring to Parliament this year, a requirement for simplified claim procedures for small firms.

As you will note from the examples given, we are firmly focused on ensuring that skills development is intimately closely linked to economic and employment growth. After all skills that can't be

applied are inevitably lost - an investment failure that we can ill afford.

In conclusion let me briefly mention that government is intent on ensuring that the forthcoming Growth and Development Summit incorporates and builds on many of the initiatives that I have mentioned and helps to secure the commitment of social partners to taking them to scale. In addition our President has indicated that there is to be a ratcheting up of the public works programmes to provide opportunities for poor people to both earn an income as well as to build the infrastructure of our country for social services and economic development. This will no doubt be an important item on our agenda at the Summit.

Colleagues, comrades and friends, I hope I have left you with a sense that a great deal is already happening to liberate the creative learning impulse of our people and to enable the learning that takes place to translate into employment for income and innovation. What we need in the year ahead is for these initiatives to be expanded and for new initiatives to emerge, which can add to the sum of opportunities available to us to leapfrog out of the past into the future.

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